
SERVICES FOR MR/DD CITIZENS

FINDING: Louisiana lags behind most other states in moving to community care for its developmentally disabled citizens. Remaining programs for disabled citizens are functionally separate from each other and are scattered among several agencies.

Louisiana spends more on institutional and less on community-based developmentally disabled services than the nation. In 1998 (the most current comparative data) the U.S. spent 28% of its total MR/DD budget on institutional care and 72% on community services, whereas Louisiana spends 41% of its MR/DD budget on institutions and 59% on community services. Other statistics further illustrate this “institutional bias” in Louisiana’s MR/DD service mix. When compared to other states, Louisiana ranks

- 42nd in the proportion of total MR/DD spending allocated to community services
- 37th in federal Home and Community Based Services (HCBS) Waiver spending per capita
- 3rd in the proportion of the state population placed in developmental centers (LA has 44 developmental center placements per 100,000 of the general population, compared with 20 for the U.S.)
- 1st in the proportion of state citizens served by Intermediate Care Facilities for the Mentally Retarded (private group homes). (LA places 134 people per 100,000 population in ICF/MR’s compared with 46 nationally.)

Some progress toward community based care has occurred since 1998. The state spent over \$517 million in FY 1999-00 to provide services for MR/DD citizens and their families or caregivers. One-third of that total was spent on institutional care in state developmental centers. Another one-third was spent on residential care in private ICF/MR Community homes. The remaining one-third was scattered among services provided through thirteen non-residential community-based programs.

OPTION 1: *Eligibility and coordination of MR/DD services - Require DHH and DSS to present formal recommendations on eligibility and coordination of services that can be implemented in the budget for FY 01-02.*

Description And Background: A survey conducted for the committee showed that three agencies in DHH and DSS-Rehabilitation Services provide services to developmentally disabled clients through thirteen distinct non-residential (community-based) programs. Numerous public and private local entities also provide services to the same clients. A broad array of services is available, but no state agency offers a comprehensive set of services. There is also some duplication of services among the various programs. Each agency, and in some cases, each program develops and applies its own standards for eligibility. Each program has a separate funding constraint, waiting list, etc. Although there is some coordination among agencies to avoid duplicate delivery of specific

services, there is no mechanism to ensure MR/DD individuals obtain services from the most appropriate source or to comprehensively organize the delivery of MR/DD services.

During the committee hearings DHH agreed that it needed to review the total process of eligibility determination and service provision for all its programs and services. The committee urged it to do so, and to recommend changes that will reduce costs or improve the services delivered to MR/DD citizens for the same cost.

Estimated Fiscal Impact: Savings will be determined by the degree that eligibility determination or service delivery can be consolidated. However, it is likely that savings will be used to improve services rather than reduce expenditures.

Action Required To Implement: DHH review and development of options for legislative approval through budget process.

OPTION 2: Reallocate resources toward community-based care.

DHH should:

- Make greater efforts to move developmental center residents into the community when adequate community-based care is available.
- Develop and recommend options to consolidate state developmental center populations and to reduce physical facility and administrative costs.
- Develop and recommend cost-neutral ways to shift resources from residential care (state developmental centers and private ICF/MR group homes) to non-residential home and community-based services.

Description and Background: DHH supports efforts to move more clients to home and community based settings, but it has had only limited success in this effort. In part, this is because DHH has a strong commitment to providing “freedom of choice” to institutionalized clients, and it only moves residents who willingly accept a community placement. Downsizing developmental centers is also hampered by lack of providers in some parts of the state and the fact that new residents are accepted each year because the developmental centers are a caretaker of last resort.

Consequently, progress on downsizing state DD centers has been slow. Similar problems, including reimbursement rates and local availability of care have impeded efforts to move persons from ICF/ MR group homes into non-residential care settings. At the same time, many disabled persons who are not in institutions also desire home and community based services (HCBS) that are provided through the MR/DD waiver or other non-residential programs. The MR/DD waiting list is currently about 7,500, and other community-based programs have substantial waiting lists.

During the hearings, the committee also raised numerous questions about the higher costs associated with state developmental centers as compared to private ICF/MR community homes. Extensive research on this issue showed that much of this cost difference is due to greater patient needs or additional services provided by developmental centers. However, some of the higher costs (e.g., wage rates and regulatory compliance costs) occur because the facility is operated by the state.

Estimated Fiscal Impact: Savings will be determined by the degree client relocation, consolidation or waiver alternatives can be developed. However, it is likely that savings will be used to improve services rather than reduce expenditures.

Action Required To Implement: DHH development of specific plans to be implemented through the budget process. Legislation will be required if any existing developmental center is recommended for closure.

OPTION 3: DHH should develop alternatives to the MR/DD waiver that will expand access to services at a reasonable and affordable cost per person.

Description And Background: Cost of MR/DD Waiver Services. The committee also raised questions about the costs of the MR/DD Waiver program. Costs have grown from about \$23,000 per “slot” in 1995-96 to over \$30,000 per slot in 1999-00. Future costs are projected to increase at 10% or more annually. One explanation for the increase in the average cost per waiver slot is that those clients now entering waiver slots are more complex and therefore more costly to serve than those who opted into waiver slots at the advent of the program. However, costs for existing clients are also increasing. DHH also shares these concerns about the rapid escalation of costs in the MR/DD waiver program. In response DHH developed the Children’s Choice program and is developing other options to address both the long waiting list and the cost of services provided.

Estimated Fiscal Impact: Unknown – will depend on the specific plans developed. However, it is likely that savings will be used to improve services rather than reduce expenditures.

Action Required To Implement: DHH development of specific plans to be implemented through the budget process. If plans include new waiver programs or modifications to the existing MR/DD waiver, these plans must be approved by the federal Medicaid authority.